

COINS

December kickoff date for zinc cents

By Roger Boye

Uncle Sam will wait until December to begin production of zinc pennies coated with a microscopic layer of copper.

A few months ago, Treasury bosses had indicated that work might start early this fall. But materials needed for the zinc pennies won't be ready as soon as expected.

The new cents will be made from an alloy containing 97.6 per cent zinc and 2.4 per cent copper, a major change from the present Lincoln cents that are 95 per cent copper and only 5 per cent zinc.

During 1982, the government will churn out both copper and zinc cents, and will end production of the 95-per-cent-copper coins in 1983. Collectors should begin finding zinc pennies in circulation early next year.

Because of the copper plating, zinc cents will be identical in size and appearance to those now minted, but the new coins will weigh nearly 20 per cent less. Zinc pennies will be much cheaper to make because zinc costs less than copper.

● Hobby experts are warning persons who buy rare coins to beware of a

new type of forged mint mark that is extremely difficult to detect.

Con artists create the fake mint mark by drilling a tiny hole in the edge [or rim] of a coin, inserting a tool described as a "needle-nosed pliers with a mint mark on the inside," and then embossing the mint mark on the coin surface from inside of the coin.

"The hole is filled with solder and the edge filed to remove most of the evidence of the alteration," said an expert quoted in Numismatic News. "This method is frightening because the original surface of the coin is not disturbed."

Hobby pros have discovered several old Buffalo nickels with the fake mint letters. Buffalo nickels with a genuine "D" or "S" mint mark usually are worth much more to collectors than those without a mint mark.

● The rare coin market—which has been in a price slump for a number of months now—got a big dose of bad news several days ago when President Reagan signed the tax-cut bill.

A little-noticed section of the new law says that persons who place rare coins in an Individual Retirement Account or Keogh Plan after next Jan. 1 will no longer receive a tax deduction.

In the last few years, many people have stashed away old coins as tax-deductible contributions to their retirement savings. If retirement accounts no longer buy rare coins after Jan. 1, the "soft" market might last longer than expected, some dealers fear. That's because part of the demand for rare coins will be gone.